

Sylvania Platinum Limited
AIM (SLP)
ARBN 147 331 726
Issued shares: 300,764,896

6 July 2012

Sylvania Platinum Limited
(“Sylvania Platinum”, “Sylvania” or the “Company”)
(AIM: SLP)

Everest North Update

Highlight

- Sylvania Platinum to continue with the EIA study at Everest North and pursue the completion of the mining right application

Everest North Joint Venture between Sylvania and Aquarius Platinum (South Africa) (Pty) Limited

The recent announcements made by Aquarius Platinum Limited (“Aquarius Platinum”), the parent of Aquarius Platinum (South Africa) (Pty) Limited (“AQPSA”), concerning the cessation of mining activities at the Everest South Mine have caused Sylvania to review the prospects for the Everest North project.

The work required to obtain the mining right for the Everest North project will still take a further nine months to complete, therefore the current project work schedule as required for the approval of the mining right, namely the Environmental Impact Assessment (“EIA”) and social and labour plan, will continue.

Once the mining right application (“MRA”) has been approved, it is envisaged that more detailed discussions with AQPSA about re-starting the Everest South plant can commence. Sylvania believes that the current surplus of PGM stock causing the low PGE price will be reduced by the time the mining right is scheduled to be approved.

Sylvania remains optimistic about the extraction of relatively inexpensive UG2 ore from the Everest North deposit and will continue completing the necessary approvals during these times of depressed prices so as to be ready for immediate production as soon as market conditions improve.

Commenting today Terry McConnachie, CEO, said: “Whilst the PGE fundamentals are currently in surplus, we have seen these over and under supply market conditions repeatedly over many years in other markets. Our strategy is to prepare for the turn of the market and be ready to start producing as soon as the current surplus goes back into deficit. We remain bullish about the future of the platinum industry and believe that Sylvania and AQPSA can determine a profitable project solution by the time the mining right is approved in nine to twelve months time.”



Background

On 3 June 2011, Sylvania announced an agreement to access the Everest North UG2 Platinum deposit via a 50/50 joint venture with AQPSA, where ore would be processed through AQPSA's Everest South Metallurgical Plant. AQPSA would make available a minimum of 27,000 tons per month of processing capacity. The concentrate would be sold to Impala Refining Services and the profit after costs would be shared equally between AQPSA and Sylvania.

On 30 April 2012 Sylvania and AQPSA announced that they had reviewed the Everest North Study compiled by Dowding, Reynaard and Associates ("DRA") that indicated the economic viability of the Everest North Project. It was also announced that the Everest North project MRA had been submitted to the Department of Minerals Resources ("DMR") and that on 25 April 2012 proof of submission had been received from the DMR.

On 21 June 2012 AQPSA announced that the Everest South mine and metallurgical plant would be placed on care and maintenance due to poor ground conditions at the Everest mine, on-going disruptive industrial relations and the present low PGM price environment.

CORPORATE INFORMATION

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